



8011-01p
SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-74098; File No. SR-NSCC-2014-12)

January 20, 2015

Self-Regulatory Organizations; National Securities Clearing Corporation; Order Approving Proposed Rule Change to Amend NSCC's Rules and Procedures in Connection with the Discontinuance of the Analytic Reporting Service

I. Introduction

On November 25, 2014, National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") proposed rule change SR-NSCC-2014-12 ("Proposed Rule Change") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder.² The Proposed Rule Change was published for comment in the Federal Registrar on December 12, 2014.³ The Commission did not receive any comments on the Proposed Rule Change. This order approves the Proposed Rule Change.

II. Description

NSCC filed the Proposed Rule Change to modify its Rules, By-Laws, and Organization Certificate to discontinue the Analytic Reporting Service ("Service"). With the Proposed Rule Change, NSCC seeks to eliminate the Service because there is limited interest and it is not recovering its costs of maintaining the Service.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 73779 (December 8, 2014), 79 FR 73938 (December 12, 2014) (SR-NSCC-2014-12).

NSCC launched the Service in 2011 to provide NSCC members (“Members”) access to aggregated-insurance-products information, including benchmarking information and league tables (“Analytics Data”).⁴ The Analytics Data comes primarily from data transmitted to NSCC by Members from NSCC’s other insurance and retirement service. In 2013, at the request of Members, NSCC enhanced the Service to include insurance-transaction data processed outside of NSCC but submitted to NSCC.⁵

Members access the Service via a paid subscription. However, since its launch, there have been few subscribers, with only 12 Members currently subscribing. As such, NSCC states that it is not recovering the cost of maintaining the Service and proposes to eliminate it.

III. Discussion

Section 19(b)(2)(C) of the Act⁶ directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions.⁷

⁴ Securities Exchange Act Release No. 63604 (December 23, 2010), 75 FR 82115 (December 29, 2010) (SR-NSCC-2010-18).

⁵ Securities Exchange Act Release No. 69824 (June 21, 2013), 78 FR 38743 (June 27, 2013) (SR-NSCC-2013-08).

⁶ 15 U.S.C. 78s(b)(2)(C).

⁷ 15 U.S.C. 78q-1(b)(3)(F).

The Commission finds the Proposed Rule Change consistent with the Act. More specifically, the Commission finds that the Proposed Rule Change is consistent with Section 17A(b)(3)(F) of the Act.⁸ By eliminating a service that is not economically efficient to maintain or central to NSCC's core clearing business, NSCC will be able to better allocate its economic resources to support the safeguarding of securities or funds in its custody or control, and promote the prompt and accurate clearance and settlement of securities transactions.

IV. Conclusion

On the basis of the foregoing, the Commission finds that the Proposed Rule Change is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act⁹ and the rules and regulations thereunder.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act, that proposed rule change SR-NSCC-2014-12 be, and hereby is, APPROVED.¹⁰

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Brent J. Fields
Secretary

⁸ Id.

⁹ 15 U.S.C. 78q-1.

¹⁰ In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹¹ 17 CFR 200.30-3(a)(12).

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